

## Message Text

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ORIGIN AF-18

INFO OCT-01 ISO-00 EB-11 SP-03 INR-11 L-03 RSC-01 SS-20

SSO-00 INRE-00 /068 R

DRAFTED BY AF/W: MGWYGANT:MR

APPROVED BY AF: JJBLAKE

AF/W: JLLOUGHRAN

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O 180010Z JUL 74

FM SECSTATE WASHDC

TO AMEMBASSY COTONOU IMMEDIATE

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STADIS////////////////////////////////

E.O. 11652: N/A

TAGS:EFIN,DM US

SUBJECT:EX-IM TURN-DOWN OF PROPOSED SUGAR PROJECT

REF: STATE 152145

1. EX-IM HAS BEEN EXTREMELY RELUCTANT DISCUSS DETAILS  
ITS REJECTION SECOND DAHOMEAN PROJECT IN PAST FEW WEEKS.  
WORKING LEVEL CONTACTS INDICATE EX-IM BELIEVES SUGAR  
PRICE PROJECTIONS USED IN LANG FEASIBILITY STUDY ARE  
OVERLY OPTIMISTIC. SHOULD WORLD PRICES GO BELOW THESE  
PROJECTIONS IT QUESTIONABLE NIGERIA WOULD BE WILLING PAY  
HIGHER THAN WORLD PRICE TO, IN EFFECT, SUBSIDIZE  
DAHOMY SUGAR PRODUCTION. SAME CONTACTS INDICATE EX-IM  
REJECTION BASED ON PROJECT AS PRESENTED. WE DO NOT  
KNOW WHETHER EXIM WOULD BE WILLING RECONSIDER DECISION  
IN VIEW OF NIGERIAN WRITTEN COMMITMENT (COTONOU 1124),  
ESPECIALLY IF NIGERIANS COMMIT THEMSELVES TO PAY PRICES  
WHICH WILL INSURE PROJECT'S LONG-TERM FINANCIAL  
SOUNDNESS.

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2. WE ASSUME DAHOMEY EMBASSY HAS BEEN INFORMED OF  
DECISION VIA LETTER MAILED EITHER JULY 12 OR 15 FROM  
BANK OFFICIAL TO AMBASSADOR ADJIBADE. WE NOT AWARE  
CONTENTS OF LETTER OR WHETHER IT LEAVES DOOR OPEN FOR  
DAHOMY TO REAPPLY FOR FINANCING IF PROJECT IS SCALED  
DOWN, FINANCING IS IMPROVED OR LONGER-TERM PROSPECTS

ASSURED.

3. AF PLANS CHECK FURTHER TO ASCERTAIN FULL  
DIMENSIONS EX-IM'S ATTITUDE REGARDING FINANCING  
INVESTMENTS IN DAHOMEY AND WILL TAKE UP DAHOMEY SUGAR  
REFINERY PROJECT AT THAT TIME. WILL ADVISE YOU  
FURTHER. IN MEANTIME, PLEASE DO NOT INITIATE ANY  
DISCUSSION OF EX-IM ACTIONS WITH DAHOMEANS. IF  
SUBJECT IS RAISED WITH YOU, YOU SHOULD INDICATE YOU  
NOT AWARE OF BASIS FOR EX-IM DECISION AND ENDEAVOR  
ASCERTAIN WHETHER GOVERNMENT PLANS APPROACH EXIM  
FURTHER ON PROJECT. VIEW RECORD OF TURNDOWNS, YOU  
SHOULD NOT RPT NOT ENCOURAGE DAHOMEANS TO DO SO. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, PROGRAMS (PROJECTS), DEVELOPMENT LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 JUL 1974  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GarlanWA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE155263  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** MGWYGANT:MR  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740192-0524  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740738/aaaabfwh.tel  
**Line Count:** 81  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN AF  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** STADIS  
**Reference:** STATE 152145  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GarlanWA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 28 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <28 AUG 2002 by boyleja>; APPROVED <26 MAR 2003 by GarlanWA>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** X-IM TURN-DOWN OF PROPOSED SUGAR PROJECT  
**TAGS:** EFIN, EAGR, DM, US, XMB  
**To:** COTONOU  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005